Admission of CIRP Applications on the basis of Form D (Record of Default) issued by NeSL- Information Utility

NCLT, Mumbai Bench Court-III, in the CIRP Application filed by Unity Small Finance Bank Limited under Section 7 of IBC, 2016 (C.P No.(IB) 1068/MB/C-III/2023), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Excel Arcade Private Limited, vide Order dated 27.02.2025.

In the above-mentioned Order, the Hon'ble members of NCLT have placed reliance on the contents of the Records of Default issued by NeSL-IU in determining **date of default, default amount, threshold limit** for admitting the application filed under Section 7 of IBC, 2016, read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiating CIRP.

The relevant extracts of the Orders of NCLT are as under:

Page 10 - Para 28:

"Also, the Financial Creditor by way of an affidavit has annexed the 'Record of Default' in Form D issued by NeSL. The NeSL has remarked the default as 'Authenticated' showing date of default as 12-11-2018 and amount of default as Rs.135,13,92.008/-.

Page 10 - Para 29:

*" .... the Hon'ble NCLAT in **M. K. Dhir vs. Punjab National Bank [Company Appeal (AT) (Ins) No. 453/2021**, decided on 18.01.2022, held that "the criteria for initiation of the CIRP under the Code is limited to three things, (i) there is a debt due and payable in law and has not been paid, (ii) Default has occurred and (iii) **Default is recorded with the Information Utility**. **In the present case, all the three criteria are met**. The **default amount is also above the threshold prescribed** under section 4(1) of the Code. Hence, we are satisfied that the present Petition is maintainable."*

Page 11 – Para 31:

*"In view of the facts and circumstances of the case and discussions hereinabove, the Company Petition bearing no. 1068 of 2023 is **admitted**."*

Page 11 – Order:

*"i) The above Company Petition No. (IB) 1068 (MB)/2023 is hereby allowed and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against **Excel Arcade Private Limited**."*